

Message Text

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ACTION EUR-12

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R 311234Z MAY 78
FM AMEMBASSY MADRID
TO USCINCEUR VAIHINGEN GER
INFO SECSTATE WASHDC 4751
SECDEF WASHDC
CNO WASHDC
CINCUSNAVEUR LONDON ENG
CINCUSAFE RAMSTEIN GER
16THAF TORREJON SP
COMNAVACT ROTA SP
ZEN AMCONSUL SEVILLE

C O N F I D E N T I A L SECTION 01 OF 03 MADRID 06078

E.O. 11652: GDS
TAGS: MARR, SP
SUBJECT: ECONOMIC ASSISTANCE TO THE MUNICIPALITY OF ROTA;
PAYMENT OF THE AUTOMOBILE CIRCULATION TAX

REF: (A) MADRID 00633 (DTG 190957Z JAN 78)
(B) CINCEUR 061152Z MAR 78 (NOTAL)

1. SUMMARY: AFTER A YEAR AND A HALF OF UNSUCCESSFUL
EFFORTS TO SECURE U.S. AGREEMENT TO PAYMENT BY MEMBERS OF
THE U.S. FORCES AT ROTA OF THE MUNICIPAL AUTOMOBILE
CIRCULATION TAX, THE SPANISH GOVERNMENT HAS NOW PUT THIS
ASIDE IN FAVOR OF SUPPORT FOR THE MUNICIPALITY OF ROTA'S
ALTERNATIVE REQUEST FOR SOME OTHER FORM OF DIRECT U.S.
ECONOMIC ASSISTANCE. THE ROTA AUTHORITIES, IN TURN, HAVE
MODIFIED THEIR REQUEST IN A WAY WHICH WARRANTS OUR FURTHER
REVIEW.

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2. SINCE 1976, THIS SUBJECT HAS BEEN RAISED SEVERAL TIMES
IN THE U.S.-SPANISH COUNCIL, AND HAS BEEN SPECIFICALLY
ADDRESSED BY FOREIGN MINISTER OREJA AND SECRETARY VANCE.
THE INTEREST OF HIGH LEVELS OF THE SPANISH GOVERNMENT IN
WHAT WOULD OTHERWISE BE A MINOR MATTER HAS BEHIND IT
SERIOUS CONCERN ABOUT THE DEPRESSED STATE OF THE ECONOMY IN

THE CADIZ-ROTA AREA, THE HIGH LEVEL OF UNEMPLOYMENT THERE, AND THE BELIEF THAT PARTIES OF THE LEFT WILL REAP THE HARVEST OF THIS SITUATION IN THE COMING MUNICIPAL ELECTIONS.

3. YOUR EARLY COMMENT WOULD BE APPRECIATED SO THAT WASHINGTON AGENCIES CAN BETTER PREPARE A POSITION PRIOR TO THE NEXT MEETING AT MINISTERIAL LEVEL OF THE U.S.-SPANISH COUNCIL. END SUMMARY.

4. IN TALKS STRETCHING BACK ALMOST TO THE MOMENT THE TREATY CAME INTO EFFECT, THE GOS HAS SOUGHT TO PASS ON TO THE U.S. THE CLAIM BY THE TOWN OF ROTA FOR THE REVENUE LOST TO IT BY NON-PAYMENT BY MEMBERS OF THE U.S. FORCES OF THE MUNICIPAL AUTOMOBILE CIRCULATION TAX. WE HAVE CONSISTENTLY AND STRONGLY MAINTAINED THE POSITION THAT THE AGREEMENT IN IMPLEMENTATION OF THE TREATY CLEARLY EXEMPTS ALL MEMBERS OF THE U.S. FORCES IN SPAIN, AT ROTA AND ELSEWHERE, FROM PAYMENT OF THIS TAX. WHILE NOT ACCEPTING OUR POSITION, THE GOS HAS TAKEN ACTION IN INDIVIDUAL CASES TO DISCOURAGE LOCAL AUTHORITIES IN SEVERAL AREAS FROM ACTING ON THEIR OWN AUTHORITY TO COLLECT THE TAX. IT HAS DONE SO AT LEAST IN PART BECAUSE WE HAVE FOUND IT POSSIBLE TO KEEP THE DIALOGUE GOING, IN ONE FORM OR ANOTHER, WITH RESPECT TO ROTA. WE ENTERTAINED LATE LAST YEAR, WITHOUT ASSUMING ANY OBLIGATION, SUGGESTIONS FROM THE TOWN OF ROTA FOR ALTER-
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NATIVE "ECONOMIC" SOLUTIONS TO WHAT TOWN AUTHORITIES TERM A DESIRE FOR JUST RECOMPENSE FOR THE EXPENSES THE TOWN INCURS BY HAVING IN ITS MIDST SUCH A LARGE NON-TAX PAYING COMMUNITY AND ONE WHICH IS UNRESPONSIVE TO A GROWING LOCAL UNEMPLOYMENT SITUATION.

5. THIS DIALOGUE CAME TO A HALT IN JANUARY WHEN WE WERE PRESENTED, WITHOUT FOREWARNING, BY THE ROTA AUTHORITIES WITH A FORMAL PROPOSAL CALLING FOR RATHER SUBSTANTIAL ANNUAL PROJECTS TO BE FINANCED IN THE TOWN BY THE U.S. (REF A), WHICH QUITE CORRECTLY DREW STRONGLY NEGATIVE COMMENT FROM YOU ON BEHALF OF INTERESTED U.S. COMMANDS IN-THEATER (REF B). WE MADE CLEAR TO THE GOS AND TO THE MAYOR OF ROTA AT THE TIME THAT THIS PROPOSAL WAS ENTIRELY UNREALISTIC.

6. SUBSEQUENTLY, IN APRIL AND MAY, BOTH THE MAYOR AND THE GOS RELAUNCHED DISCUSSIONS OF THIS MATTER ON THE BASIS OF A NEW "ECONOMIC" PROPOSAL FROM THE TOWN. PAYMENT OF THE CIRCULATION TAX HAS BEEN RELEGATED TO THE BACKGROUND IN THESE DISCUSSIONS, AS A MATTER WHICH COULD POSSIBLY BE POSTPONED NATION-WIDE UNTIL RENEGOTIATION OF THE TREATY IF

ROTA AUTHORITIES COULD BE OFFERED DIRECT ECONOMIC ASSISTANCE. AGAIN, WE HAVE TAKEN THIS UNDER CONSIDERATION WITHOUT ASSUMING ANY OBLIGATION BEYOND A SYMPATHETIC STUDY.

7. SPECIFICALLY, THE TOWN OF ROTA HAS DROPPED ITS PROPOSAL FOR AN ANNUAL U.S. PROJECT IN FAVOR OF A SINGLE PROJECT TO BE ACCOMPLISHED DURING THE REMAINING LIFE OF THE TREATY AND HAS ADDED AN ALTERNATIVE SUGGESTION TO THAT OF LAST DECEMBER FOR CONSTRUCTION OF A ROAD INTERSECTION ADJACENT TO THE BASE TO RELIEVE TRAFFIC CONGESTION IN AND AROUND THE ENTRANCE TO THE BASE. THIS NEW ALTERNATIVE CALLS FOR

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U.S. ASSISTANCE IN THE MUCH-NEEDED REHABILITATION OF THE SMALL HARBOR AT ROTA.

8. TOWN AUTHORITIES CLAIM THAT THE EXTREME SILTING OF THE HARBOR IS DIRECTLY ATTRIBUTABLE TO THE CONSTRUCTION OF THE ADJACENT BREAKWATERS OF THE NAVAL STATION, AND THAT THE EXTREME DECLINE OF THE TOWN'S FISHING INDUSTRY IS A DIRECT RESULT OF THE DETERIORATION OF THE PORT FACILITIES. (THE INDUSTRY IS GENERALLY DEPRESSED IN THE CADIZ AREA.) THEY STATE THAT A PROJECT WAS DEVELOPED IN 1957 FOR PIER CONSTRUCTION AND DREDGING AND THAT THEN AMBASSADOR LODGE OFFERED DURING A VISIT TO ROTA ON SEPTEMBER 24, 1957, U.S.

FINANCING OF 75PERCENT OF THE PROJECT IF THE GOS WOULD PAY 25.
THE PROJECT NEVER BEGAN. (THERE ARE NO REMAINING EMBASSY
RECORDS ON THIS.) A NEW, MORE AMBITIOUS, PROJECT BY THE
TOWN NOW CALLS FOR SPENDING 320 MILLION PESETAS (ALMOST
\$4 MILLION) FOR
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-- REPAIR AND REINFORCEMENT OF THE PRESENT SEAWALL
(65 MILLION PESETAS) (CHARGEABLE TO THE GOS);

-- SHORELINE WORKS (75 MILLION PESETAS) (TOWN OF ROTA
WOULD FINANCE);

-- PROLONGATION OF SEAWALL (85 MILLION PESETAS);

-- CONSTRUCTION OF SECONDARY SEAWALL (40 MILLION
PESETAS);

-- DREDGING (25 MILLION PESETAS); AND

-- CONSTRUCTION OF A FISHING PIER (30 MILLION PESETAS).

NO FINANCING IS NOW AVAILABLE FOR THE LATTER FOUR ITEMS,
BUT TOWN AUTHORITIES HOPE AT LEAST TO MOVE AHEAD WITH
(A) PROLONGATION OF THE PRESENT SEAWALL, TO PREVENT FURTHER
SILTING OF THE HARBOR, DOING THIS AT LEAST WITH "BLOCKS",
AND (B) DREDGING OF THE INNER HARBOR TO RESTORE IT TO
USEFULNESS. THEY HOPE FOR U.S. ASSISTANCE IN THIS.

9. THE TOWN AUTHORITIES ALSO ASK AN EFFORT BY THE U.S.
ELEMENT AT THE NAVAL STATION TO HELP COMBAT THE GROWING
PROBLEM OF LOCAL UNEMPLOYMENT. (IN THIS RESPECT, WE ARE
AWAITING FROM NAVSTA ROTA STATISTICS ON EMPLOYMENT OVER
RECENT YEARS OF SPANISH NATIONALS AND USE OF LOCAL
SPANISH CONTRACTORS WHICH WOULD HELP IN RESPONDING TO THE
TOWN AUTHORITIES. ALSO, IT IS OUR IMPRESSION FROM
ESTIMATES WE HAVE BEEN GIVEN BY OICC SPAIN THAT USN
CONSTRUCTION PROJECTS AT ROTA DURING THE COMING TWO YEARS
MAY RESULT IN SOME INCREASED USE OF LOCAL SPANISH
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CONTRACTORS.)

10. AT THE APRIL 10 MEETING OF THE U.S.-SPANISH COUNCIL
(BEFORE THIS LATEST PROPOSAL FROM ROTA), THE SPANISH

PERM REP (UNDER SECRETARY OF FOREIGN AFFAIRS) ASKED FOR "SOMETHING SMALL" BY WAY OF A PRACTICAL SOLUTION IN ORDER TO AVOID A LARGER POLITICAL PROBLEM IN THE ROTA AREA (MADRID 3922, DTG 121827Z APR 78). IN THE MAY 23 MEETING OF THE JOINT COMMITTEE FOR POLITICO-MILITARY ADMINISTRATIVE AFFAIRS, THE SPANISH DIPLOMATIC CO-CHAIRMAN RETURNED TO THE SUBJECT, NOTING THE LATEST ROTA PROPOSAL HAD BEEN PASSED TO THE U.S. FOR CONSIDERATION THROUGH DIPLOMATIC CHANNELS (WHICH IT HAS, BY LETTER TO THE CHARGE).

11. THE REFTELS (YOU MAY WISH TO REPEAT REF B TO ADDRESSEES OF THIS MESSAGE WHO WILL NOT HAVE SEEN IT) POINT OUT THE OBVIOUS PITFALLS OF PROCEEDING ALONG SUCH A PATH. THE FACT REMAINS, HOWEVER, THAT INSISTENCE ON THE CORRECTNESS OF OUR LEGAL POSITION AND A SYMPATHETIC EAR MAY NOT REMAIN SUFFICIENT REMEDIES AS THE POLITICAL CLIMATE IN THE ROTA AREA HEATS UP IN THE RUN UP TO MUNICIPAL ELECTION LATE THIS YEAR OR EARLY NEXT YEAR. THIS COULD IN TURN LEAD TO PRESSURES OUTSIDE OF ROTA FOR COLLECTION OF THE MUNICIPAL CIRCULATION TAX, WHICH THE GOS MIGHT NOT FIND IT CONVENIENT TO RESIST. (THOSE WHO REMEMBER THE HARDFOUGHT ISSUE OF THE "G-3 TARIFF" CAN CONJURE UP THE SCENARIO.) WHILE WE DO NOT WISH TO APPEAR AN EASY MARK FOR SUCH PRESSURES, NEITHER IS IT IN OUR INTEREST TO ALLOW BY ANY INADVERTENCE OUR MILITARY FACILITIES TO BECOME ISSUES IN THE MUNICIPAL ELECTIONS.

12. WE RECOMMEND TO YOU, AND THEN WITH YOUR COMMENT TO WASHINGTON AGENCIES CONCERNED

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C O N F I D E N T I A L SECTION 03 OF 03 MADRID 06078

-- STUDY OF THE CLAIM BY THE TOWN OF ROTA THAT
CONSTRUCTION OF THE NAVAL HARBOR IS THE CAUSE OF SILTING O
THE TOWN HARBOR AND WHETHER WE COULD HELP RESOLVE THE
PROBLEM;

-- REVIEW OF PLANNED PROJECTS AT ROTA TO DETERMINE
WHETHER AMONG THOSE LIKELY TO BENEFIT LOCAL CONTRACTORS
SOME MIGHT BE ACCELERATED;

-- CONSIDERATION OF WHAT U.S. MILITARY ACTIVITY MIGHT
BE MOVED TO ROTA TO FILL THE LARGE GAP WHICH WILL BE LEFT
IN 1979 BY THE DEPARTURE OF SUBRON 16 (THIS COULD PROVE A
GOOD CONTEXT IN WHICH TO MAKE SUCH A PROPOSAL TO THE GOS).
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